



INSPECTOR GENERAL REPORT

2013-05-0094

March 27, 2014

IACCRR CONTRACTOR FRAUD

Inspector General Staff Attorney Jennifer Cooper, after an investigation by Special Agent Darrell D. Boehmer, reports as follows:

In March of 2013, the Office of the Inspector General (“OIG”) received information, through the course of a separate investigation (Case Number 2013-03-0064) involving a former employee of the Indiana Association for Child Care Resource and Referral (“IACCRR”), an Indiana Family and Social Services Administration (“FSSA”) contractor, alleging that IACCRR’s former Executive Director (“Respondent”), had misused the IACCRR corporate credit card for personal gain. IACCRR receives state and federal funding through a grant from FSSA. Special Agent Darrell Boehmer was assigned to investigate and conducted the investigation jointly with FSSA Internal Affairs Investigator David Brown and Special Agent Steve Sidebottom of the Office of Inspector General for the United States Department of Health and Human Services.

Respondent had been employed with IACCRR and was serving as Executive Director until she was discharged on April 30, 2013. On March 28, 2013, Special Agent Boehmer executed a search warrant at another former

IACCRR employee's residence regarding possible criminal offenses. Before executing the warrant, Special Agent Boehmer spoke with the former employee about her position at IACCRR. During this interview, the former employee alleged that Respondent had used IACCRR's American Express ("AMEX") credit card to make purchases for her own personal use. The former employee explained that Respondent had used the AMEX card to pay for Respondent's motel bills in San Antonio, Texas, and also to pay for personal purchases including gasoline and groceries. The former employee provided a credit card statement, dated October 13, 2011, for the AMEX card referenced. The former employee also advised that Respondent asked her to make checks payable to Respondent from the IACCRR account without providing receipts of invoices.

Special Agent Boehmer, along with co-investigators Special Agent Steve Sidebottom of the Office of Inspector General for the United States Department of Health and Human Services and FSSA Investigator David Brown, conducted a non-custodial interview with Respondent on April 26, 2013 at the IACCRR offices. During the interview Respondent was asked about her alleged use of the IACCRR AMEX card to make personal purchases. Respondent admitted using the card to pay for a return flight from California in the summer of 2012 because she had to change her flight to return to work. Respondent also admitted using the AMEX card to pay approximately Four Hundred Dollars and 00/100 (\$400.00) for a motel room in San Antonio, Texas and for a one-way flight to San Antonio, both of which were not work-related. In addition, Respondent stated that she had used the AMEX credit card to entertain IACCRR vendors and

donors. Respondent advised that she was aware of policies regarding the use of the corporate credit card for entertainment purposes but that she did not know the exact wording of the policies. Respondent also stated that the IACCRR AMEX credit card was issued in her name as the authorized user, but copies of the card were used by the fiscal department in order to pay some bills related to IACCRR.

Upon reviewing the AMEX corporate credit card statement provided by the former employee, Special Agent Boehmer confirmed charges for the Sunset Inn motel in San Antonio, Texas, on July 19, 2011 for Two Hundred Twelve Dollars and 00/100 (\$212.00) and on July 26, 2011 for Two Hundred Twelve Dollars and 00/100 (\$212.00). The billing statement date was October 13, 2011 and indicated that the account number to which the hotel charges were made was assigned to Respondent/IACCRR. Special Agent Sidebottom contacted the Sunset Inn motel and obtained copies of their records which confirmed the charges listed on the AMEX records obtained from the former employee.

Special Agent Boehmer sent a subpoena to AMEX in order to obtain detailed account statements and records regarding the assignment of liability for the IACCRR AMEX card. Special Agent Boehmer discovered agreements which listed Respondent as the authorized user of the assigned AMEX card for IACCRR corporate expenditures. Special Agent Boehmer also received records from AMEX showing that as of December 13, 2010 Respondent became the sole responsible party for the AMEX corporate card.

In addition to the Sunset Inn motel charges identified on the statement received from the former employee, Special Agent Boehmer discovered the

account records included additional charges relating to San Antonio, Texas. The AMEX records listed a charge in the amount of Two Hundred Fifty-Three Dollars and 60/100 (\$253.60), dated January 29, 2012, for a Southwest Airlines flight from Indianapolis, Indiana to San Antonio, Texas. Special Agent Boehmer confirmed that IACCRR does not have any offices nor does it conduct any business in San Antonio, Texas,

Special Agent Boehmer also discovered a charge of Nine Hundred Twenty-Seven Dollars and 23/100 (\$927.23) for Enterprise Rent-a-Car ("Enterprise") in the AMEX account records. Special Agent Boehmer issued a subpoena to and received records from Enterprise showing that Respondent rented a car from an Indianapolis, Indiana Enterprise location on November 14, 2011. Respondent used her home address on the rental agreement and no company information was provided. The car was returned to Enterprise on December 15, 2011, and the IACCRR AMEX card was charged \$927.23 for the one month car rental. Special Agent Boehmer inquired about the legitimacy of this car rental as an IACCRR business expense, and IACCRR's Interim Executive Director ("Director") advised that rental cars are not provided to IACCRR employees and that employees are only reimbursed mileage when traveling on IACCRR business.

Special Agent Boehmer also discovered through Respondent's IACCRR Outlook calendar and IACCRR staff (relating their conversations with Respondent) that Respondent had taken a trip to California from June 20 through June 25, 2012. The dates of June 20 -22 and June 25, 2012 were marked as

“vacation” on the Outlook calendar. While in California, Respondent used the IACCRR AMEX card to make purchases at Walgreen’s, restaurants, and gas stations totaling One Hundred Ninety-Six Dollars and 37/100 (\$196.37). In addition, on June 23, 2012, Respondent used the IACCRR AMEX card to purchase a return Southwest Airlines flight to Indianapolis. Special Agent Boehmer confirmed through the Director that Respondent had been out of the office on vacation for the days indicated on her Outlook calendar. Additionally, Respondent’s return flight to Indianapolis was not business-related nor had any urgent issues arisen that required Respondent to book an emergency flight back to work.

On June 29, 2012, upon returning from her vacation, Respondent completed a timesheet on which she attested that she had worked eight (8) hours per day for the dates of June 20 through 22 and June 25, 2012 (the four days that Respondent was in San Jose, California). On June 26, 2012, Respondent also sent an email to the former IACCRR employee requesting a payout for her ten (10) remaining vacation days, that the payout be added to her June 29, 2012 IACCRR paycheck. In sum, between the dates of June 20 and June 29, 2012, Respondent used the IACCRR AMEX card to make purchases while on vacation in California and to pay for her return flight to Indianapolis, submitted a timesheet that claimed that she had worked her regular hours on the dates that she was on vacation in California, and collected vacation pay in addition to her salary for the days that she was on vacation.

IACCRR financial policies require expenditure reports to be filed for all

entertainment-related expenditures charged to the IACCRR credit card. To determine which AMEX charges were for legitimate business expenditures and which charges were for unapproved personal expenditures, Special Agent Boehmer compared the AMEX billing records, any expenditure reports filed, and Respondent's IACCRR Outlook calendar and eliminated all grocery, gas station, restaurant and miscellaneous charges that appeared to be associated with business travel or IACCRR-sponsored meetings. The remaining charges found on the AMEX records for the IACCRR AMEX corporate credit card assigned to Respondent appeared to be purchases for her own personal use; no expenditure reports were found for any of these transactions and the Director advised that none of these expenditures were for legitimate business purposes.

Special Agent Boehmer determined that the total amount charged to the AMEX card by Respondent for these personal purchases was Six Thousand Eight Hundred Sixty-Five Dollars and 03/100 (\$6,865.03). Special Agent Boehmer further determined that all payments to AMEX for these charges were made using funds from the grant IACCRR received through FSSA.

This case was presented to the Marion County Prosecutor's Office and criminal charges were filed against Respondent on December 17, 2013. Respondent was charged with one (1) count of Forgery, a Class C Felony and two (2) counts of Theft, a Class D Felony. Accordingly, this investigation is closed.

APPROVED BY:

/s/ David O. Thomas, Inspector General